

Community Development Block Grant (CDBG) Program Testimony – July 18, 2005
Redevelopment Authority of the County of Washington

The Community Development Block Grant (CDBG) Program is the most visible federal program providing a flexible means to address local community development and housing needs. It has successfully assisted local governments in tackling the most serious challenges facing their communities. The CDBG program has significantly enhanced the lives of millions of low and moderate income people living in communities all across the United States including thousands of people living in Washington County.

Washington County is an entitlement county and, as such, has received annual CDBG funding since the inception of the program in 1974. The CDBG program has allowed municipalities located in Washington County to undertake locally chosen projects that otherwise would not be completed. These projects have provided a boost to the local tax base of their respective municipalities by improving infrastructure, revitalizing and redeveloping blighted areas, and improving the housing stock. The CDBG program has been and still is a vital tool to address the housing and community development needs of low and moderate income persons.

The mission of the CDBG Program is to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low and moderate income persons. The Redevelopment Authority of the County of Washington, as agent of the county, has effectively and efficiently followed the mission of the CDBG program by undertaking eligible projects in the 66 municipalities throughout the county.

Washington County has used CDBG funds to provide public improvements to water and sewer systems, parks, senior citizens facilities, streets, and sidewalks in low-income neighborhoods throughout the County. Additionally, Washington County utilizes CDBG funds for its county Home Rehabilitation and Homebuyer Assistance Programs, which provide assistance to low-income homeowners and first-time homebuyers. The following are a small sample of the hundreds of projects, which have been undertaken with CDBG funds:

- Public Improvements to Downtown Central Business Districts in Washington County: Central business district improvement projects revitalize the downtown and promote and stimulate economic growth for their respective communities.
 - City of Washington: The City of Washington's Downtown Central Business District Project, which involves streetscape improvements to 14 blocks, has been the catalyst for the planned \$100 million Crossroads development project, which will create over 1,000 new jobs in the City. CDBG funds were used as leverage to secure \$7 million in PennDOT funds, \$4.5 million from a city bank, and \$1.5 million from local businesses.
 - Charleroi Borough Downtown Improvements: Revitalization efforts in Charleroi Borough have lead to a net gain of 12 new businesses and 102 new jobs over the past four years. Additionally over \$1.8 million dollars in private funds have been invested in the Charleroi Downtown.
 - City of Monongahela Downtown Revitalization Project: Streetscape and public improvements were completed in six blocks of the City of Monongahela's Downtown Central Business District. Revitalization efforts in the City of Monongahela have lead to the construction of a new Charleroi Federal branch office in the City and new jobs.
- Head Start School Facilities: Working in cooperation with the County Housing Authority and Community Action Southwest, the Redevelopment Authority utilized CDBG funds for the development of two new Head Start school facilities in Washington County, with a third new facility planned for this year. These projects involve the conversion of underutilized public housing buildings into new Head Start schools, which benefit low-income children and provide better opportunities for their educational growth. The new Head Start schools, which are operated by Community Action Southwest, are located in the public housing developments of the City of Washington's Maple Terrace and Canonsburg Borough's Valley View Terrace. The planned new Head Start school will be located at Donora Borough's Highland Terrace.

- Habitat for Humanity: The Authority has partnered with Habitat for Humanity in the development of new houses for low income families by providing assistance in locating vacant lots for Habitat to construct new homes. All of the lots were previously occupied by blighted structures that were demolished utilizing CDBG funds.
- Highland Ridge Neighborhood Revitalization Project: The Highland Ridge Redevelopment Project is revitalizing the Highland Ridge neighborhood located in the City of Washington, in which 62% of the residents have low or moderate income, only 30% of the homes are owner/occupied, and the cost of constructing new homes exceeds the resale value of homes. The project involves acquisition of land, demolition of blighted properties, and the infill construction of 25 new Energy Star rated, single-family homes. Low and moderate income families are given the opportunity to purchase the homes through the Highland Ridge Homebuyer Assistance Program, which provides financial assistance to them. CDBG funds were used as leverage to secure \$500,000 from the Pennsylvania Housing Finance Agency, \$125,000 from the Federal Home Loan Bank of Pittsburgh, and a \$125,000 grant from a local bank.
- Washington County Home Rehabilitation Program: The Washington County Home Rehabilitation Program provides up to \$23,000 in financial assistance to eligible low and moderate income households for repairs to their home, elimination of code deficiencies, removal of architectural barriers, and removal of lead based paint hazards. Over 1,800 low and moderate income households have been assisted under the Home Rehabilitation Program since its inception in 1977. The program helps the County maintain a higher quality housing stock and keep viable homes on the County tax rolls. Additionally, the elderly population is able to remain in their homes by the assistance this program provides. The Home Rehabilitation Program maintains a waiting list of approximately 640 applicants, which demonstrates an obvious need for continued funding.
- Washington County Homebuyer Assistance Program: The Washington County First – Time Homebuyer Assistance Program provides downpayment assistance to eligible low and moderate income households for the purchase of an existing home. A new program

to Washington County in 2000, the Homebuyer Assistance Program has assisted 33 low and moderate income households to date. This program provides an opportunity that otherwise would not be available for low and moderate income households to achieve their dream of homeownership. The Homebuyer Assistance Program maintains a waiting list of approximately 65 applicants, which demonstrates an obvious need for continued funding.

- Development of Elderly Housing: CDBG funds have been used to prepare sites for the development of four new elderly housing facilities within the past 11 years, including Crest Avenue located in Charleroi Borough, Century Plaza located in North Franklin Township, Canon Apartments located in Canonsburg Borough, and John Lignelli Manor located in New Eagle Borough. Each of these developments eliminated a vacant and hazardous structure and placed an elderly housing facility for low income people on the tax roles. In all four developments, the CDBG funds were utilized to leverage funds from four local banks under the Low Income Housing Tax Credit Program. The banks purchased the tax credits, which provided \$71 million of equity for the four projects. All four projects have received numerous awards from State and National housing organizations. Century Plaza Apartments and Crest Avenue Apartments were both recognized by the National Association of Housing and Redevelopment Officials with the National Award of Excellence. NAHRO presented this prestigious award to only six projects nationwide. In total, the Redevelopment Authority maintains 461 units of elderly housing in 6 facilities, and there are a total of 260 people on the waiting list.
- Public Housing Improvements: Washington County has utilized CDBG funds for improvements to four public housing facilities over the past five years. The County's Redevelopment Authority and Housing Authority have coordinated efforts to improve numerous public housing units. These improvements have benefited many low-income public housing residents.
- Demolition and Clearance: Demolition and clearance is undertaken to remove blighted structures located either in an identified redevelopment area or on a spot basis in

communities throughout Washington County. The demolition of dilapidated structures removes hazardous conditions in neighborhoods, increases the quality of housing stock, and provides space for new developments in these communities. Many demolition and clearance projects require environmental remediation and the proper removal of hazardous conditions created by these dilapidated structures.

- Public Facility Improvements:
 - Try-Again Homes Public Facility Improvements: Rehabilitation improvements were completed at the Try-Again Homes, Inc. office building in the City of Washington. Try-Again Homes, Inc. is a non-profit agency dedicated to the growth, development, and empowerment of individuals and families by providing counseling services and programs to families and children that are at or below the poverty level.
 - Mental Health Association Development Site Improvements: CDBG funds are being used to provide site improvements to support two new facilities in Bentleyville Borough developed by the Mental Health Association of Washington County. The two facilities will provide permanent housing and supportive services to 28 low-income mental health clients.
- Recreation Improvements: New construction of community parks and playgrounds and improvements to existing facilities in low income communities throughout Washington County have been undertaken.
- Water and Sewer Improvement Projects: Water and sewer service is a crucial component of Washington County's infrastructure. The ability to maintain existing water and sewer service or to install new service for development can create a financial burden for a municipality. CDBG funds have been used to provide improvements to older existing water and sewer lines and to install new lines to benefit low and moderate income households throughout Washington County.

- Fire Protection: Fire Departments that serve low-income communities have completed rehabilitation activities to their fire stations and purchased fire and rescue equipment. These projects allow a fire department to better serve their community in emergency situations.
- Removal of Architectural Barriers to Municipal Buildings and Community Facilities: Removal of material and architectural barriers that restrict the mobility and accessibility of elderly and/or severely disabled persons to municipal buildings and community facilities have been completed throughout Washington County with CDBG funds.
- Multi-Municipal Cooperation: We are also utilizing the CDBG program to assist municipalities to develop multi-municipal comprehensive plans and to jointly provide municipal services. We also provide a financial incentive to encourage smaller municipalities to consolidate or merge their boundaries. These municipalities are able to provide a higher level of public services more efficiently and at a lower cost to their citizens.

Washington County has successfully implemented eligible projects with CDBG funds since 1974. In FY 2002, Washington County received \$5,626,000 in CDBG funds. In FY 2005, the county received \$4,938,200 in CDBG funds, representing a 12% cut in just 3 years. Any further funding cuts to the CDBG program in the future will jeopardize Washington County's ability to effectively provide needed assistance and improvements for county residents. The adverse affect upon the residents of Washington County and other counties in the region will be substantial and lasting. Economic development and job growth will slow as a result.

As the municipalities in Washington County grow older, the number of blighted structures and the need for the removal of these blighted structures drastically increases. Meeting this growing need to demolish and remove blighted structures is difficult with the statute requiring that at least 70% of a grantee's expenditures over a particular time period be used for activities benefitting low- and moderate-income persons. The reduction of this 70% restriction would allow Washington County the ability to better meet the growing needs of its municipalities to

undertake more blight removal projects. It would make way for increased economic development and growth in Washington County and throughout the United States. We offer this suggestion as a possible means to improve the CDBG program.

As I have indicated throughout my testimony, the CDBG program has enabled the County of Washington to revitalize neighborhoods, expand affordable housing and economic opportunities, and improve community facilities and services, principally to benefit low and moderate income persons. CDBG funds also are used to secure grants from other Federal and State agencies and foundations, which require a local match. Furthermore, without the CDBG program, these housing and community development needs would not be addressed since local governments lack the necessary resources to undertake such projects.

We believe that the CDBG program has been administered efficiently and effectively on the Federal and local level and, therefore, we are requesting that Congress continue to provide adequate funding to local governments for the program.